

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 6290

Investigation into the establishment of guidelines for )  
distributed utility planning by Vermont electric )  
distribution utilities )

BILATERAL AGREEMENT BETWEEN THE DEPARTMENT OF PUBLIC SERVICE AND  
THE WASHINGTON ELECTRIC COOPERATIVE, INC.

This bilateral agreement entered into by and between the Washington Electric Cooperative, Inc. ("WEC" or the "Cooperative") and the Vermont Department of Public Service (the "Department" or "DPS" ) supplements the Distributed Utility Planning ("DUP") Collaborative Phase I Stipulation ("Stipulation") in this docket. Said Stipulation sets forth the agreement of the Department and WEC, as well as other parties to the captioned proceedings, with regard to the adoption of Initial Guidelines and the establishment of a Phase II Collaborative. This bilateral agreement incorporates the Stipulation. Terms defined in the Stipulation shall have the same meaning when used herein, except that in this bilateral agreement the term "Parties" shall mean WEC and the Department.

WEC and the Department supplement the Stipulation with the following agreements:

1. During the term of this Bilateral Agreement, WEC shall perform routine repair, maintenance, and replacement projects in the ordinary course of business as necessary for its electric system. When engineering these projects, WEC shall identify and implement the least-cost T&D alternative that is expected to meet customer needs and to assure electric system safety, stability and reliability. When performing said engineering WEC will utilize such tools as are necessary to identify the least cost T&D alternatives. In addition, said engineering shall at a minimum meet the requirements of the Rural Utilities Service ("RUS").
2. During the term of this Bilateral Agreement, WEC shall engage in and undertake appropriate steps to implement detailed DUP for its potential large T&D supply problems utilizing the Initial Guidelines. A list of known study areas where DUP may make a difference in the selected strategy to remedy a large T&D supply problem is included as Attachment A. WEC is responsible for monitoring growth, proposing adjustments to the list, and applying the Guidelines to any service areas in which developments relating to T&D supply problems warrant applying the Guidelines. The Parties recognize and understand that each of the known study areas is impacted by customer driven projects and requests for service that must be responded to in a timely manner. The specific areas to be studied utilizing the Guidelines during the term of this Bilateral, and the pace of the performance of said studies, will be coordinated by the Parties, with reasonable recognition given to meeting both WEC and specific customer planning requirements and providing least-cost service in accordance with the Guidelines.
3. WEC intends to incorporate DUP principles in its Long Range Plan (prepared periodically for the RUS). If DUP by WEC results in a recommended action that requires a change to the current WEC Four Year Work Plan or a variation from RUS standards, WEC will make a good faith effort to secure any necessary RUS modifications to the Four Year Work Plan or variation from RUS standards. If DUP by WEC results in a recommended action that affects a subsequent Four Year Work Plan, WEC will reflect the recommended action in its proposed Four Year Work Plan submitted to RUS and will make a good faith effort to secure any

necessary variations from RUS standards. WEC represents that, to the best of its knowledge and belief, current RUS practices provide sufficient flexibility in T&D construction and planning to accommodate the provisions of the Initial Guidelines and the Phase I Stipulation.

4. This Bilateral Agreement shall remain in full force and effect until May 1, 2001, unless otherwise extended by the Parties.
5. The Parties have made specific compromises to reach the Stipulation and this bilateral agreement. The Parties agree that should the Board fail to approve the Stipulation and this bilateral agreement in their entirety, the Parties' agreements set forth herein shall terminate, and the Parties shall have the right to file prefiled testimony on all issues to be considered in this docket and the Parties' agreements in the Stipulation and this bilateral agreement shall not be construed by any party or tribunal as having precedential impact on any testimony or positions which may be advanced in these proceedings.

Dated at Montpelier, Vermont this \_\_\_\_ day of October, 2000.

VERMONT DEPARTMENT OF PUBLIC SERVICE

By \_\_\_\_\_  
Aaron Adler, Special Counsel

Dated at E. Montpelier, Vermont this \_\_\_\_ day of October, 2000.

WASHINGTON ELECTRIC COOPERATIVE, INC.

By \_\_\_\_\_  
Avram Patt, General Manager

Attachment

## ATTACHMENT A

This document constitutes the list described in paragraph two of the bilateral agreement signed October 2, 2000 between the Washington Electric Cooperative, Inc. and the Department of Public Service in Docket No. 6290.

Transformer Upgrade at South Walden Substation

Transformer Upgrade at Maple Corners Substation